



FINANCE COMMITTEE

**MAY 3, 2010
6:00 PM, CITY HALL ANNEX
CONFERENCE ROOM 2**

MINUTES

I. CALL TO ORDER

Chair Nancy Backus called the meeting to order at 6:00 p.m. in Conference Room No. 2 located on the second floor of the City Hall Annex located at One East Main Street in Auburn. Chair Backus and Member John Partridge were present. Vice Chair Lynn Norman was excused. Present during the meeting were Mayor Peter B. Lewis, City Attorney Daniel B. Heid, Finance Director Shelley Coleman, Public Works Director Dennis Dowdy, Information Services Director Lorrie Rempher, Acting Planning and Development Director Kevin Snyder, Planning Manager Elizabeth Chamberlain, Employee Relations/Compensation Manager John Fletcher, and Deputy City Clerk Cathy Richardson. Members of the audience included Wayne Osborne.

II. CONSENT ITEMS

A. Approval of Minutes

- 1. Minutes of the April 19, 2010 Finance Committee meeting.**
- 2. Minutes of the April 27, 2010 special Finance Committee meeting.**

Member Partridge moved to approve the April 19, 2010 and April 27, 2010 minutes. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

B. Vouchers

1. Claims

F4.9.5

Claims check numbers 394300 through 394701 in the amount of \$2,053,691.60 and dated May 3, 2010.

2. Payroll

F4.9.2

Payroll check numbers 528815 to 528914 in the amount of \$316,551.84 and electronic deposit transmissions in the amount of \$1,131,192.68 for a grand total of \$1,447,744.52 for the pay period covering April 15, 2010 to April 28, 2010.

Committee members reviewed the vouchers and briefly discussed voucher numbers 394308, 394309, 394346, 394347, 394350, 394386, 394431, 394586, and 394673.

Member Partridge moved to approve the vouchers. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

C. Contract Administration

1. Parks Project Number CP0607

O5.2 CP0607

City Council approve Contract No. 08.01.115 for Project Number CP0607, Les Gove Park Expansion – Activity Center and award the contract to Christensen, Inc., in the amount of \$2,896,2000 (not including Washington State sales tax).

Committee members briefly discussed funding dedications and potential partnering for Project No. CP0607.

Member Partridge moved to approve and forward the contract administration item to the full Council. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

III. ORDINANCES AND RESOLUTIONS

A. Ordinances

1. Ordinance No. 6305

F2.2.22

An Ordinance of the City of Auburn, Washington, relating to contracting indebtedness; providing for the issuance of four series of limited tax general obligation bonds of the City in the aggregate principal amount of \$31,990,000, for general City purposes to provide funds with which to (i) pay a portion of the costs to purchase additional office space near City Hall, to be known as the City Hall Annex, and associated property interests, equipment and appurtenances, (ii) carry out a current refunding of all of the City's outstanding Limited Tax General Obligation Bonds, 1998 and to pay the administrative costs of such refunding, (iii) pay for certain downtown infrastructure improvements in the City's revitalization area, and (iv) pay costs of issuance of the bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; establishing a bond redemption fund, a project fund and a project account; and approving the sale and providing for the delivery of the bonds to Seattle-Northwest Securities Corporation of Seattle, Washington

Revised Ordinance No. 6305 was distributed prior to the Finance Committee meeting.

Director Coleman distributed a summary of bond pricing results and reviewed financing goals, interest rates, and the City's credit rating.

Committee members reviewed Ordinance No. 6305 and discussed costs related to issuance of the bonds, dedicated Real Estate Excise Tax (REET) funds, and infrastructure improvements.

Director Coleman stated that by purchasing the property the City will save approximately \$385,000 per year for a thirty years period.

Member Partridge moved to approve and forward Ordinance No. 6305 to the full Council. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

B. Resolutions

1. Resolution No. 4593

F4.3

A Resolution of the City Council of the City of Auburn, Washington, amending the City of Auburn Fee Schedule, to adjust for Information Services and GIS fees

Director Rempher distributed revised Resolution No. 4593. Due to changes in technology related to GIS data, staff recommends revising related fees to a flat rate to reflect current costs and which is consistent with fees charged by other municipalities.

Chair Backus inquired regarding collection of sales tax for only certain items.

Discussion followed regarding collection of fees versus sale of products, which are taxable items.

Member Partridge moved to approve and forward Resolution No. 4593 to the full Council. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

2. Resolution No. 4594

04.4.1, 04.9.1 CP1002

A Resolution of the City of Auburn, Washington, authorizing the Mayor to execute the financial assistance award between the City of Auburn (the City) and the U.S. Department of Commerce, Economic Development Administration (the EDA) approving EDA funds for the design and construction of improvements for the South Division Street Promenade Project

Manager Chamberlain reported that the City received a Notice of Investment Award granted to the City by the EDA for \$3,000,000. Resolution No. 4594 provides for acceptance of the grant award. EDA is funding 38% of the project costs.

Member Partridge moved to approve and forward Resolution No. 4594 to the full Council. Chair Backus concurred.

MOTION CARRIED UNANIMOUSLY. 2-0.

IV. DISCUSSION ITEMS

A. Resolution No. 4595

O4.9.1 C201A

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to execute a Local Agency Supplemental Agreement between the City of Auburn (the City) and the Washington State Department of Transportation (the State) relating to Project No. C201A, M Street SE Grade Separation

Director Dowdy reported that staff is ready to move forward with the final design of the M Street SE Grade Separation project, which is currently at approximately 50%. The funds will allow the City to complete the design and prepare to go out to bid on the project next year. There are other grants promised by the State once construction of the project begins. Staff anticipates proposing a mid-year budget adjustment to cover approximately a \$2.2 million allocation of City funds to perform the acquisition of all right-of-way needed for the project, which will allow right-of-way certification by the State.

In response to questions by Chair Backus, Director Dowdy stated that the railroad is obligated to fund 5% of total budget costs of the project.

Mayor Lewis pointed out that the Ports of Seattle and Tacoma will also be contributing towards the project. The City has received a series of federal grants to move this project along. This is the first FAST Corridor project within the State of Washington, which was championed by Senator Patty Murray. Mayor Lewis reviewed the funding mechanisms required in order to complete this project.

Discussion followed regarding funding sources including REET 2, traffic impact fees and re-allocations of funds.

Director Dowdy pointed out that the City must move forward with the right-of-way acquisition phase in order to retain the State's commitment of funding of approximately \$6 million.

B. Resolution No. 4596

O4.11

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor and City Clerk to execute an Emergency

Water System Intertie Agreement between the City of Auburn and the City of Bonney Lake

Director Dowdy reported that negotiations with the City of Bonney Lake have been ongoing for several months. Negotiations were very complicated due to the need for the City of Bonney Lake to open their intertie with the City of Tacoma in order to meet City of Auburn demands. The City of Bonney Lake then incurs additional substantial lab fees and personnel costs to monitor the intertie and manage their system. When the intertie is opened they must perform daily observations to insure that their system works when the interties are open.

Director Dowdy stated that City of Auburn Well #6 is down and Well #1 was down for over a year and has just recently begun production again. There is no assurance that Well #1 will continue to produce through the summer months. In order to be prepared for this year's peak months, staff renegotiated the contract with the City of Bonney Lake so that the City of Auburn will have prolonged use of the intertie, if needed, rather than just seven days. The renegotiated agreement provides for specific costs related to prolonged use of the intertie.

C. Animal Care and Control Update

Director Heineman distributed a chart depicting estimated costs to King County and gave a brief history of King County animal control services. Director Heineman spoke regarding King County's intent to increase fees to participating cities for animal control services related to the number of services received by each city. She also spoke regarding the lack of other animal control providers with sufficient capacity to handle City of Auburn's needs. Director Heineman displayed a chart depicting estimated costs to King County for animal control services over the next 2 ½ years. Most cities currently served by King County Animal Control have indicated that they will stay with King County for the next 2 ½ years. The cities of SeaTac, Kent, Covington, Pacific, Algona, Black Diamond, and Maple Valley have indicated an interest in beginning dialogue on establishing a sub-regional model. King County has offered to be a part of those discussions. The King County contract will terminate on June 30, 2010.

Director Heineman reviewed the estimated costs which include enhanced services for a full time animal control officer. As the area currently covered by the officer will increase from approximately 30

square miles to approximately 300 square miles, another 20 hours for a part time animal control officer has been included in an effort to retain the level of service now received. Staff believes that costs can be reduced significantly by improving the number of pet owners licensing their pets which at present time is approximately only 18%. Director Heineman reviewed the benefits of pet licensing to pet owners and also to participating cities. She also reviewed partnering with King County on their comprehensive marketing plan in an effort to increase licensed pets within the City of Auburn to aid in cost recovery.

Member Partridge spoke in opposition to the King County model. Member Partridge also spoke regarding his contact with one veterinary hospital in Auburn and expressed concerns that all such entities should be contacted.

Director Heineman spoke regarding the uniqueness of animal sheltering versus animal hospitals and the size of facility needed to accommodate the number of animals in Auburn currently being sheltered by King County. An advisory board comprised of entities such as veterinaries, business owners selling pets, humane society operators, and interested citizens would need to be formed in an effort to explore all alternatives. Director Heineman also spoke regarding timeline restrictions placed on participating cities by King County.

Discussion followed regarding methods used by staff to determine whether facilities such as veterinary offices and hospitals currently located within the City of Auburn could accommodate the City's animal care and control needs.

Mayor Lewis stated that staff has explored the six options available to the City at this time. He also expressed his displeasure with the King County model, but feels the City of Auburn does not have another option at this time nor would an option be available within the next six months to meet King County's deadline. Staff will continue to diligently explore alternatives to the King County model.

V. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 7:15 p.m.

APPROVED THE _____ DAY OF MAY 2010.

Nancy Backus, Chair

Cathy Richardson, Deputy City Clerk